

## Message Text

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46

ACTION EA-14

INFO OCT-01 EUR-25 ISO-00 CIAE-00 DODE-00 PM-07 H-03

INR-10 L-03 NSAE-00 NSC-07 PA-04 RSC-01 PRS-01 SP-03

SS-20 USIA-15 IO-14 SAM-01 SAJ-01 NIC-01 SCCT-02

DRC-01 /134 W

----- 127073

R 030850Z JUN 74

FM AMEMBASSY KUALA LUMPUR

TO SECSTATE WASHDC 7092

INFO AMEMBASSY BANGKOK

AMEMBASSY CANBERRA

AMCONSUL HONG KONG

AMEMBASSY JAKARTA

AMEMBASSY LONDON

AMEMBASSY MANILA

USLO PEKING

AMEMBASSY RANGOON

AMEMBASSY SINGAPORE

AMEMBASSY TAIPEI

AMEMBASSY WELLINGTON

CINCPAC

C O N F I D E N T I A L SECTION 1 OF 2 KUALA LUMPUR 2575

CINCPAC FOR POLAD

E.O. 11652: GDS

TAGS: PFMX MY CH

SUBJ: MALAYSIAN-PRC RELATIONS: TUN TAKES HIS BOWS, COMMUNIQUE

MAY BE LESS THAN MEETS THE EYE

REF: A. FBIS OKINAWA 311350Z MAY 74

B. FBIS BANGKOK 311505Z MAY 74

C. KUALA LUMPUR 2549

D. KUALA LUMPUR 2524

E. KUALA LUMPUR 2486

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1. SUMMARY: PM RAZAK HAS RETURNED TO MALAYSIA TO A LARGE BUT NOT TUMULTUOUS WELCOME FOR HIS SUCCESS IN ESTABLISHING DIPLOMATIC RELATIONS WITH PRC, AND IN OBTAINING PRC SUPPORT FOR GOM FOREIGN POLICY INITIATIVES. KEY PROVISIONS FOR GOM IN JOINT COMMUNIQUE IS RENUNCIATION OF DUAL CITIZENSHIP, UNDER WHICH ALL MALAYSIAN CITIZENS OF CHINESE ORIGIN FORFEIT CHINESE CITIZENSHIP. PRC, HOWEVER, HAS LEGAL BASIS FOR ACTING AS PROTECTING POWER FOR AS MANY AS 200,000 CHINESE RESIDENT IN MALAYSIA, WHOM GOM VIEWS AS STATELESS. MALAYSIA HAS DECLARED THAT PRC SUPPORTS ITS PROPOSALS FOR A SEA NEUTRAL ZONE, BUT THIS SUPPORT IS NOT READILY APPARENT FROM TEXT OF COMMUNIQUE, OR FROM PUBLIC STATEMENTS OF PRC LEADERS. IN SPEECH DELIVERED NIGHT OF HIS RETURN, PM INVITED COMMUNIST INSURGENTS IN MALAYSIA TO ABANDON THEIR FUTILE STRUGGLE AND PARTICIPATE IN MALAYSIAN POLITICAL LIFE, IMPLYING THEY NO LONGER HAVE PRC SUPPORT. GOM ACKNOWLEDGES PRC CLAIM TO TAIWAN, AND ALL OFFICIAL TIES WITH ROC BROKEN, BUT PEOPLE-TO-PEOPLE TIES WILL BE PRESERVED. COMMUNIQUE LEAVES MANY QUESTIONS UNANSWERED, BUT IT SATISFIES GOM'S DOMESTIC POLITICAL NEEDS, AND ENHANCES ITS NON-ALIGNED IMAGE. END SUMMARY.

2. DUBBED BY HIS SUPPORTERS "FATHER OF PEACE" TUN RAZAK RETURNED TO MALAYSIA FROM HIS CHINA VISIT YESTERDAY TO A LARGE BUT NOT TUMULTUOUS WELCOME AT AIRPORT, AND SAME EVENING ADDRESSED A NATIONAL FRONT RALLY ATTENDED BY OVER 50,000 (POSSIBLY BIGGEST POLITICAL RALLY SINCE MERDEKA). FURTHER, TODAY MONDAY DECLARED PUBLIC HOLIDAY TO QUOTE ENABLE PEOPLE TO REJOICE OVER SUCCESS OF HIS MISSION END QUOTE IN OBTAINING A JOINT COMMUNIQUE ESTABLISHING DIPLOMATIC RELATIONS BETWEEN GOM AND PRC, AND IN OBTAINING PRC SUPPORT FOR GOM POLICY FOR A SEA NEUTRAL ZONE AND FOR STRAIT OF MALACCA AS MALAYSIAN/INDONESIAN TERRITORIAL WATERS.

3. KEY PROVISION FOR MALAYSIA IN MAY 31 JOINT COMMUNIQUE ESTABLISHING FORMAL DIPLOMATIC TIES BETWEEN GOM AND GPRC IS ARTICLE FIVE WHICH REJECTS DUAL CITIZENSHIP, AND DECLARES THAT ANYONE OF CHINESE ORIGIN WHO HAS ACQUIRED MALAYSIAN CITIZENSHIP FORFEITS CHINESE NATIONALITY; AT SAME TIME, PRC DECLARES IT WILL PROTECT THE PROPER RIGHTS AND INTEREST OF THOSE RESIDENTS WHO RETAIN CHINESE NATIONALITY. THIS PRESUMABLY INCLUDES ALL OF ESTIMATED 200,000 STATELESS CHINESE WHO CHOOSE TO SEEK PRC PROTECTION AND MIGHT INCLUDE ESTIMATED 200 ROC PASSPORT HOLDERS IN MALAYSIA ON TEMPORARY BASIS PLUS 500 OR SO WHO ARE PERMANENT RESIDENTS, ALL OF WHOM ARE NOW WITHOUT PROTECTING POWER. TUN RAZAK TOLD PRESS CONFERENCE, QUOTE WE AFFIRM OUR PRESENT POSITION THAT PERMANENT RESIDENTS WHO HAVE NOT ACQUIRED MALAYSIAN CITIZENSHIP MAY CONTINUE TO STAY IN MALAYSIA UNQUOTE.

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DENTS WHO RETAIN CHINESE NATIONALITY. THIS PRESUMABLY INCLUDES ALL OF ESTIMATED 200,000 STATELESS CHINESE WHO CHOOSE TO SEEK PRC PROTECTION AND MIGHT INCLUDE ESTIMATED 200 ROC PASSPORT HOLDERS IN MALAYSIA ON TEMPORARY BASIS PLUS 500 OR SO WHO ARE PERMANENT RESIDENTS, ALL OF WHOM ARE NOW WITHOUT PROTECTING POWER. TUN RAZAK TOLD PRESS CONFERENCE, QUOTE WE AFFIRM OUR PRESENT POSITION THAT PERMANENT RESIDENTS WHO HAVE NOT ACQUIRED MALAYSIAN CITIZENSHIP MAY CONTINUE TO STAY IN MALAYSIA UNQUOTE.

LANGUAGE OF ARTICLE FIVE APPEARS VERY CLOSE TO SEPT 1973 STATEMENT OF CHINESE VICE-PREMIER TENG HSIAO-PING URGING OVERSEAS CHINESE TO BECOME LAW-ABIDING CITIZENS OF COUNTRIES IN WHICH THEY RESIDE. PROBLEM REMAINS CONCERNING STATELESS CHINESE WHO DO NOT CHOOSE TO SEEK MALAYSIAN CITIZENSHIP OR PRC DOCUMENTATION. (RAZAK REFUSED TAKE QUESTION ON THIS POINT AT JUNE 2 PRESS BRIEFING AND ZAIN AZRAAI, RAZAK'S PRINCIPAL FOREIGN AFFAIRS AIDE, REPORTEDLY SAID THAT ISSUE "UNDECIDED" BY GOM AND PRC.) THEREFORE, GOM APPEARS TO HAVE GAINED LITTLE BEYOND TENG'S POSITION, BUT PRC NOW HAS LEGAL BASIS FOR INTERVENTION IN INTERNAL AFFAIRS OF MALAYSIA TO PROTECT ITS NATIONALS, SHOULD IT CHOOSE TO DO STAM GOM, WHICH TO PRESERVE MALAY MAJORITY HAS FELT IMPELLED TO DENY CITIZENSHIP TO STATELESS CHINESE, MAY FIND PRESENCE OF 200,000 PRC NATIONALS IN COUNTRY MUCH MORE UNCOMFORTABLE THAN A REDUCED MALAY PLURALITY. ON PLUS SIDE, PRC DID ENJOIN ITS CITIZENS TO LIVE IN AMITY WITH PEOPLE OF MALAYSIA.

4. REGARDING NON-INTERFERENCE AND PROBLEM OF COMMUNIST INSURGENCIES IN PENINSULAR MALAYSIA AND SARAWAK, RAZAK AT NATIONAL FRONT RALLY CALLED ON TERRORISTS TO GIVE UP THEIR QUOTE FUTILE STRUGGLE UNQUOTE AND SAID QUOTE THOSE WHO ARE MALAYSIAN CITIZENS CAN RETURN TO THE FOLD AND TAKE PART IN POLITICS UNQUOTE, WHICH IS FORMULA USED IN OBTAINING SURRENDER OF ABOUT 560 TERRORISTS THUS FAR IN SARAWAK. (BEFORE RAZAK'S ANNOUNCEMENT AT RALLY, WE UNDERSTOOD GOM WAS RELUCTANT TO APPLY SARAWAK FORMULA TO PENINSULAR MALAYSIA WHERE INSURGENCY HAS DEEPER ROOTS AND FAILURE TO AGREE ON POLITICAL FORMULA BROKE UP TUNKU ABDUL RAHMAN-CHIN PENG TALKS IN 1955. FURTHERMORE, RELIABLE KL PRESS SOURCES SPECULATE THAT PRC MAY HAVE GIVEN GOM SOME CONCRETE ASSURANCES REGARDING INSURGENCIES AS EVIDENCED BY RAZAK'S STRONG PERSONAL CONVICTION THAT PRC SUPPORT OF INSURGENCIES IS AT AN END, IN CONTRAST TO HIS USUAL RETICENCE AND CONFIDENTIAL

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CAUTION IN SUCH MATTERS.)

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AMEMBASSY TAIPEI

AMEMBASSY WELLINGTON

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C O N F I D E N T I A L SECTION 2 OF 2 KUALA LUMPUR 2575

CINCPAC FOR POLAD

5. ARTICLE TWO OF COMMUNIQUE ALSO RECEIVED CONSIDERABLE ATTENTION HERE. IN WHAT SEEMS TO BE CONVENTIONAL LANGUAGE OF COMMUNIQUE, PARTIES PLEDGE THEMSELVES TO PEACEFUL COEXISTENCE AND LAST SENTENCE OF ARTICLE TWO STATES THAT GOM AND PRC ARE QUOTE OPPOSED TO ANY ATTEMPT BY ANY COUNTRY OR GROUP OF COUNTRIES TO ESTABLISH HEGEMONY OR CREATE SPHERES OF INFLUENCE IN ANY PART OF THE WORLD. END QUOTE. OPPOSITION TO HEGEMONY WOULD SEEM TO BE PRC INSPIRED. BUT GOVT-INFLUENCED KL "STRAITS TIMES" IN JUNE 1 EDITORIAL MENTIONS THIS SENTENCE AND ASSERTS THAT CHINA SUPPORTS THE 1971 KUALA LUMPUR DECLAR-  
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ATION IN FAVOR OF CREATION SEA NEUTRAL ZONE. TUN RAZAK ALSO TOLD MALAYSIAN NEWSMEN ACCOMPANYING HIS PARTY THAT CHINESE SUPPORT NEUTRALITY PROPOSAL, AND THE MALAYSIAN/INDONESIAN POSITION THAT MALACCA STRAIT IS PART OF THEIR NATIONAL WATERS. (AS POINTED OUT IN PARA 4, REF D, CHINESE IN AVOIDING IDENTIFICATION AS GREAT POWER SEEM TO HAVE BEEN CAREFUL ALSO IN AVOIDING EXPLICIT ENDORSEMENT OF NEUTRAL ZONE PROPOSAL)

6. IN ARTICLE THREE OF COMMUNIQUE GOM ACKNOWLEDGES (SIC) PRC POSITION THAT TAIWAN INALIENABLE PART OF PRC. SHORTLY AFTER SIGNING JOINT COMMUNIQUE GOM ISSUED STATEMENT THAT IT WILL TERMINATE ALL CONSULAR TIES BETWEEN MALAYSIA AND TAIWAN. IN EFFECT MALAYSIA WILL HAVE NO OFFICIAL RELATIONS WITH TAIWAN. ALL TRADE, INVESTMENT, AND TOURISM WILL BE CONTINUED ON PEOPLE-TO-PEOPLE BASIS. FOR THE TIME BEING CHINA AIRLINES AND MALAYSIAN AIRLINES SYSTEM ARE CONTINUING NORMAL OPERATIONS BETWEEN KL AND TAIPEI. ROC CONSULATE-GENERAL STAFF CLOSED OFFICES AS OF MAY 31 AND ARE AWAITING ORDERS; MEMBERS OF STAFF HAVE INFORMED US THAT IT THEIR IMPRESSION GOM HAS NOT YET DECIDED WHAT KIND OF MECHANISM IS NECESSARY FOR CONTINUED RELATIONS.

7. COMMENT: COMMUNIQUE HAS BEEN HAILED HERE AS DAWN OF NEW ERA IN ASIA, AND TRIUMPH FOR RAZAK. PRESS ACCOUNTS HAVE CONVEYED IMPRESSION THAT NATIONALITY PROBLEM COMPLETELY SOLVED, COMMUNIST INSURGENCIES WILL NOW WITHER AWAY DUE TO LACK OF PRC SUPPORT, AND PRC-GOM HAVE ACHIEVED COMPLETE MEETING OF MINDS ON FOREIGN POLICY ISSUES. IN FACT, AFTER ALMOST ONE YEAR OF SECRET NEGOTIATIONS TWO SIDES HAVE BROUGHT FORTH DECLARATION WHICH IS REMARKABLY BARREN OF DETAIL, AND WHICH LEAVES LARGE NUMBER OF PROBLEMS TO BE WORKED OUT. IF MALAYSIANS HAVE ACTUALLY OBTAINED ANY NEW IMPORTANT CONCESSIONS FROM PRC THEY ARE NOT READILY DISCERNIBLE. TRIP AND COMMUNIQUE SATISFY-ING TO GOM FROM STANDPOINT OF DOMESTIC POLITICAL IMPACT, AND FOR BOOS TO MALAYSIA'S NON-ALIGNED IMAGE. MEANWHILE, PRC WASTED NO TIME TO IDENTIFY ITS NEW "PRESENCE" IN KL; "PRC EMBASSY" SIGN APPEARED OVER WEEKEND ON JALAN AMPANG PROPERTY PURCHASED FOR NEW COMPOUND, ALTHOUGH ACTUAL ETA STILL UNCERTAIN.  
UNDERHILL

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## Message Attributes

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**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** FOREIGN RELATIONS, DIPLOMATIC RELATIONS ESTABLISHMENT, PARAMILITARY FORCES, NONALIGNED NATIONS, INDIAN OCEAN ZONE OF PEACE, MINISTERIAL VISITS, PUB LIC ATTITUDES, SPEECHES, MILITARY PLANS, CITIZENSHIP LAW, COMMUNIQUE  
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**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
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**Disposition Event:**  
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**Disposition Remarks:**  
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**Executive Order:** GS  
**Errors:** N/A  
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**Office:** ACTION EA  
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**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 5  
**Previous Channel Indicators:**  
**Previous Classification:** CONFIDENTIAL  
**Previous Handling Restrictions:** n/a  
**Reference:** A. FBIS OKINAWA 311350Z MAY 74  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** blochd0  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 16 JUN 2005  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <24 JUN 2002 by kellew0>; APPROVED <19 FEB 2003 by cunninfx>; WITHDRAWN <13 Jun 2005 by BoyleJA, PRIVACY>; RELEASED <16 JUN 2005 by powellba2>; APPROVED <20 JUN 2005 by blochd0>  
**Review Markings:**

Declassified/Released  
US Department of State  
EO Systematic Review  
30 JUN 2005

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** MALAYSIAN-PRC RELATIONS: TUN TAKES HIS BOWS, COMMUNIQUE MAY BE LESS THAN MEETS THE EYE  
**TAGS:** PFOR, MY, CH, TW, (RAZAK)  
**To:** STATE  
**Type:** TE  
**Markings:** Declassified/Released US Department of State EO Systematic Review 30 JUN 2005